

**Section N: Investment Performance**

Long-term investments are held in the Cambridge University Endowment Fund. Investment Objectives are: To invest in such a way as to enable the endowment fund to distribute an amount of constant purchasing power over the long term and also to provide opportunities for additional growth, and to manage risk judiciously through regular review, utilising diversification of investment strategies, investment asset classes and investment managers. The record of the Fund over the 53 year period since it was established in its present format is shown below.

**CAMBRIDGE UNIVERSITY ENDOWMENT FUND FIFTY-THREE YEAR RECORD**

Year ending 31 July	Capital	Funds introduced/ (withdrawn)	Unit value	Number of units	Net income	Distribution per unit	Income surplus/ (deficit)	Distribution yield on unit	Earnings yield on capital	Retail Prices Index Jan 1987 = 100
	£000	£000	£	000	£000	(pence)	£000	%	%	
1958	4,518	1,663	0.83	5,553	165	4.25	13	5.00	5.42	12.1
1959	6,576	862	1.03	6,390	276	4.75	10	5.72	6.11	12.3
1960	9,658	1,897	1.22	7,953	358	5.00	37	4.85	5.44	12.5
1961	11,164	570	1.33	8,381	494	5.50	51	4.51	5.11	12.9
1962	11,253	628	1.27	8,876	506	5.75	15	4.32	4.53	13.5
1963	12,543	(103)	1.43	8,803	573	6.00	28	4.72	5.09	13.7
1964	14,458	278	1.61	8,976	627	6.25	59	4.37	5.00	14.2
1965	14,169	334	1.54	9,192	672	6.75	50	4.19	4.65	14.9
1966	15,316	575	1.60	9,552	722	7.00	56	4.55	5.10	15.4
1967	17,346	89	1.81	9,601	761	7.25	43	4.53	4.97	15.8
1968	24,148	(42)	2.52	9,584	844	7.75	70	4.28	4.87	16.6
1969	21,152	406	2.17	9,772	866	8.50	14	3.37	3.59	17.5
1970	20,672	292	2.09	9,912	1,017	8.75	109	4.03	4.81	18.6
1971	25,535	1,012	2.47	10,321	964	9.75	(49)	4.67	4.66	20.5
1972	31,387	825	2.96	10,600	1,024	10.00	(67)	4.05	4.01	21.7
1973	33,048	373	3.08	10,721	1,185	10.50	15	3.55	3.78	23.8
1974	27,205	211	2.52	10,804	1,665	11.50	407	3.73	5.04	27.8
1975	34,547	1,955	3.02	11,445	1,687	12.50	310	4.96	6.20	35.1
1976	41,045	1,220	3.48	11,796	1,808	14.00	180	4.64	5.23	39.6
1977	46,799	3,645	3.66	12,796	2,050	15.50	179	4.45	4.99	46.6
1978	57,831	3,834	4.17	13,877	2,726	19.00	254	5.19	5.82	50.2
1979	58,678	3,035	4.01	14,638	3,601	22.00	416	5.28	6.23	58.1
1980	68,211	1,582	4.55	14,993	4,634	25.00	928	6.23	7.90	67.9
1981	80,129	658	5.30	15,131	4,726	28.00	502	6.15	6.93	75.3
1982	78,769	1,652	5.10	15,451	4,957	31.00	177	5.85	6.19	81.9
1983	109,803	2,591	6.91	15,901	5,367	34.00	4	6.67	6.81	85.3
1984	119,762	5,014	7.21	16,619	5,888	37.00	(242)	5.35	5.36	89.1
1985	138,578	3,337	8.13	17,047	7,101	40.00	318	5.55	5.93	95.2
1986	179,722	4,285	10.24	17,551	7,408	43.00	(99)	5.29	5.35	97.5
1987	239,089	5,286	13.25	18,044	8,470	45.50	308	4.44	4.71	101.8
1988	224,115	9,790	11.86	18,898	9,250	47.75	373	3.60	3.87	106.7
1989	280,607	388	14.82	18,933	11,738	53.50	1,625	4.51	5.24	115.5
1990	280,311	884	14.76	18,990	13,749	57.50	2,801	3.88	4.90	126.8
1991	299,539	4,116	15.52	19,299	13,279	68.40	140	4.63	4.74	133.8
1992	292,879	9,551	14.71	19,913	15,227	73.87	699	4.76	5.08	138.7
1993	496,865	116,221	18.33	27,105	18,313	77.56	(1,279)	5.27	6.25	140.7
1994	555,022	30,959	19.32	28,722	22,840	79.89	326	4.36	4.60	144.0
1995	573,442	(8,655)	20.27	28,286	26,083	82.77	1,787	4.28	4.70	149.0
1996	628,666	11,585	21.81	28,830	28,147	91.24	1,811	4.50	4.91	152.4
1997	616,034	(107,278)	25.61	24,054	24,340	91.45	1,289	4.19	3.87	157.5
1998	646,947	(38,304)	28.67	22,567	25,230	96.03	2,859	3.75	4.10	163.0
1999	665,456	(5,348)	29.72	22,389	27,821	100.98	4,839	3.52	4.30	165.1
2000	728,078	17,019	31.72	22,951	25,174	121.44	(2,529)	4.09	3.78	170.5
2001	702,387	19,074	29.80	23,571	25,682	123.75	(2,930)	3.50	3.40	173.3
2002	590,478	3,786	24.91	23,701	25,921	127.00	(4,055)	4.04	3.70	175.9
2003	595,623	5,093	24.91	23,910	22,423	130.00	(8,444)	5.22	3.79	181.3
2004	643,865	21,948	26.01	24,754	21,845	104.00	(3,264)	4.18	3.68	186.8
2005	747,316	(859)	30.20	24,742	28,524	110.50	1,076	4.25	4.43	192.2
2006	870,810	40,805	33.60	25,914	26,035	114.00	(1,946)	3.77	3.48	198.5
2007	990,788	47,378	36.39	27,228	31,696	121.00	(109)	3.60	3.64	206.1
2008	906,513	21,189	32.60	27,810	31,294	130.00	(4,502)	3.57	3.16	216.5
2009	953,863	136,308	29.35	32,498	16,022	140.48	(25,775)	4.31	1.77	213.4
2010	1,142,613	93,500	32.29	35,389	7,458	140.55	(39,655)	4.79	0.78	223.6

**Section N: (continued) Investment Performance****CAMBRIDGE UNIVERSITY ENDOWMENT FUND: ASSET ALLOCATION**

<b>As at 31 July</b>	<b>2010</b>	<b>2009</b>
	%	%
Public Equity	62.60	55.20
Private Investment	2.20	1.50
Absolute Return	10.50	12.60
Credit	5.50	10.80
Real Assets (Including Property)	12.80	12.70
Fixed Interest/Cash	6.40	7.20
	<hr/> 100.0	<hr/> 100.0

**RESULTS FOR THE YEAR to 31 JULY 2010**

- CAPITAL VALUE per unit increased to £32.29 (2009: £29.35)
- DISTRIBUTION per unit up from 140.48p to 140.55p, giving a yield of 4.31% on initial value.
- TOTAL INVESTMENT RETURN to Fund Year 30 June 2010: 19.2%

The majority of the University's fixed asset investments and endowment assets are invested in the CUEF. During 2009–10 arrangements were made to permit investment in the CUEF by Colleges and certain other entities linked with the University.

The performance of the CUEF is monitored to a 30 June year end in order to utilise more accurate valuation and benchmark information and to allow comparisons with similar endowment investment funds. The CUEF is also valued at 31 July each year for University accounting purposes.

The investment performance of the CUEF was 19.2% over the twelve months to 30 June 2010.

**SHORT TERM INVESTMENTS**

Short-term investments are managed by Tradition UK Ltd and the Finance Division, in accordance with an investment limits policy set by the Finance Committee. The returns are reviewed by the Finance Committee. The rate paid to depositors is the mid-point of the Local Authority 7 day rate as quoted daily in the *Financial Times*.